

**UNITED STATES DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT**

Oregon/Washington State Office
P.O. Box 2965 (333 SW First Ave.)
Portland, Oregon 97208
www.or.blm.gov

Notice of Competitive Lease Sale Oil and Gas

We are pleased to announce that we will offer for competitive sale certain Federal lands in the States of Oregon and Washington for oil and gas leasing. This notice describes-

- The time and place of the sale;
- How to participate in the bidding process;
- The sale process;
- The conditions of the sale;
- How to file a noncompetitive offer after the sale; and
- How to file a presale noncompetitive offer.

Attached to this notice is a list of the lands we are offering by parcel number and description. We have referenced any special conditions or restrictions that will be made a part of the lease below each parcel.

When and where will the sale take place?

When: The competitive oral sale will begin at 9:00 a.m. on Wednesday, September 4, 2002. The sale room will open one-half hour earlier so you can get your bidding number.

Where: We will hold the sale in the Land Office at 333 SW First Ave., Portland, Oregon. There is metered parking on the street and pay-to-park lots in the area. Public transportation is an option.

Access: The sale room is accessible to persons with disabilities. If you need an auxiliary aid or service to participate in the sale, such as a sign language interpreter or materials in an alternate format, contact Donna Kauffman at (503) 808-6162, by August 19, 2002.

How do I participate in the bidding process?

To participate in the bidding process, you must get a bidding number. You must display your bidding number to the auctioneer when you submit a bid.

What is the sale process?

Starting at 9:00 a.m. on the day of the sale-

- The auctioneer will offer the parcels in the order they are shown in the attached list;
- All bids are on a per-acre basis for the entire acreage in the parcel;
- The successful bid is the highest oral bid equal to or exceeding the minimum acceptable bid; and
- The decision of the auctioneer is final.

The minimum bid BLM can accept is \$2 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.32 acres requires a minimum bid of \$202 (\$2 x 101 acres). After we have offered all the parcels, you may ask the auctioneer to re-offer any unsold parcels.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the Oregon State Office Land Office (Public Room) before the day of the sale. We will announce withdrawn parcels before beginning the sale. If we cancel the sale, we will notify you as soon as possible.
- **Payment due:** You cannot withdraw a bid. Your bid is a legal binding commitment to sign the bid form, accept the lease, and pay the money due on the day of the sale. You may pay immediately after the sale, or you can pay within one hour after the close of the sale at our Land Office on the 1st floor of the State Office.

If you are the successful high bidder on a parcel, the money due the day of the sale is the minimum bid of \$2 per acre, the first year's rent (\$1.50 per acre), and the administrative fee (\$75). You may pay the total due the day of the sale, or you may pay the balance of the bonus bid due by the close of business on September 18, 2002, which is the 10th working day following the sale. If you do not pay in full by this date, you lose the right to the lease and all money paid on the day of the sale. If you forfeit a parcel, we may offer it at a later sale.

- **Forms of payment:** You can pay by personal check, certified check, money order, or credit card (VISA, MasterCard, Discover, or American Express only). Make checks payable to: **Department of the Interior-BLM.** We cannot accept cash. If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. However, we cannot grant you any extension of time to pay the money that is due the day of the sale.

- **Bid form:** On the day of the sale, if you are a successful bidder, you must give us a properly completed and signed competitive bid form (Form 3000-2, July 1991, or later edition) with your payment. This form is a legally binding offer by the prospective lessee to accept a lease and all

its terms and conditions. Once the form is signed, you cannot change it. We will not accept any bid form that has information crossed out or is otherwise altered.

We recommend you get a copy of the bid form and complete all but the money part before the sale. You can fill out the money part at the sale. Your completed bid form certifies that:

(1) You and the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and

(2) You have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of, and collusion among bidders.

- **Lease Issuance:** After we receive the bid form and all the money due, we can issue the lease. Usually, a lease is effective the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do this. We have to receive your request before we sign the lease.

- **Lease terms:** A lease issued as a result of this sale will have a primary term of 10 years. It will continue beyond its primary term as long as oil or gas in paying quantities is produced on or for the benefit of the lease. Rental at \$1.50 per acre for the first 5 years (\$2 per acre after that) is due on or before the anniversary date each year until production begins. Once a lease is producing, you must pay a royalty of 12.5 percent on the production. You will find other lease terms on our standard lease form (Form 3100-11, October 1992 or later edition).

- **Stipulations:** Some parcels have special requirements or restrictions which are called stipulations. These are included with the parcel descriptions. Stipulations are part of the lease and supercede any inconsistent provisions of the lease form.

How do I file a noncompetitive offer after the sale?

Lands that do not receive a bid are available on a first-come, first-served basis for a two-year period, beginning the day after the sale. If you want to file a noncompetitive offer on an unsold parcel, you must give us-

- An Offer to Lease Form properly completed and signed. **(Note: You may copy the lease form, but you must copy both sides on one page. If you copy the form on 2 pages or use an obsolete lease form, we will reject your offer. Any copy you make should be legible.)**

Describe the lands in your offer as specified in our regulations at 43 CFR 3110.5, and;

- Your payment for the total of the \$75 filing fee and the advanced first year's rental (\$1.50 per acre). Remember to round up any fractional acreage when you calculate the amount of rental.

You may submit your offer the day of the sale after the sale is closed. However, we consider all offers filed the day of a sale and the first business day after it, for any of the unsold parcels, filed at the same time. If a parcel receives more than one offer, we will hold a drawing to pick the winner.

A presale offer has priority over any offer filed after the sale. There were no presale offers filed for the lands in this notice.

How do I file a noncompetitive presale offer?

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that-

- Are available, and;
- Have not been under lease during the previous one-year period, or;
- Have not been included in a competitive lease sale within the previous two-year period.

If we do not receive a bid for the parcel that contains the lands in your offer, it has priority over any offer for that parcel filed after the sale. Your presale offer is your consent to the terms and conditions of the lease, including any additional stipulations. If you want to file a presale offer, follow the directions listed for filing a noncompetitive offer after the sale.

How can I find out the results of this sale?

We will post the sale results in the Oregon State Office Land Office (Public Room). You can buy (\$5) a printed copy of the results list from the Land Office.

Who should I contact if I have a question?

For more information, please contact Donna Kauffman at (503) 808-6162.

/s/ Sherrie L. Reid
Chief, Realty Records Section

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

Oregon State Office
P.O. Box 2965 (333 SW First Ave.)
Portland, Oregon 97208
(503)808-6001

**Declining Deposit Account Information Sheet
and Order Form**

DECLINING DEPOSIT ACCOUNT (DDA) maintenance is a free service provided to purchasers of published materials or services available from the Oregon State Office.

DDA ACCOUNTS are for purchasing maps, plats, LR2000 reports, serial register pages, etc. A price list of these materials is available at the Land Office counter. You may also purchase Notice of Oil and Gas Competitive Sale and Result lists from this account as follows:

- (a) **COMPETITIVE SALE LIST** will be published quarterly at least 45 days prior to the sale date. The fee for this list is \$5.00 which will be deducted from the DDA automatically.
- (b) **SALE RESULT LIST** will be published shortly after the sale. The fee for this list is \$5.00, if it is more than one page, which will be deducted from the DDA automatically.

Competitive oil and gas lists (sale and/or results) will be mailed automatically **ONLY** when a DDA has been established and maintained with sufficient funds to purchase the list.

Accounts will be established with a minimum deposit of \$50.00. Payment may be made by personal check, certified check, credit card (VISA, Discover, American Express or MasterCard), or money order. All remittances shall be made payable to **DEPARTMENT OF THE INTERIOR-BLM**. Account statements will be provided periodically, showing posting and the current account balance. Please list on the order form those persons who are authorized to use this account.

If you do not wish to open a DDA, you may purchase either the sale list for \$5.00 or results list for \$5.00 from this office. You will not be placed on an automatic mailing list.

☐

☐ **YES**, I would like to open a DDA and receive the following:

☐ Competitive Sale List Only

☐

Competitive Sale and Results List

☐

Results List Only

Other _____

☐

☐ **NO**, I do not wish to open a DDA, but I would like a copy of the:

Competitive Sale List (\$5.00) for the sale held on (date) _____.

☐

Results List (\$5.00 or free if the list is one page) for the sale held on (date) _____.

☐

☐ I already have a DDA and I would like to receive the following:

Competitive Sale List Only

☐

Competitive Sale and Results List

Results List Only

Other _____.

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____ TELE(____) _____

SIGNATURE _____ DATE _____

List of Authorized Users:

PUBLIC LANDS
WILLAMETTE MERIDIAN, OREGON

PARCEL 9-4-02-1
MINIMUM ACCEPTABLE BID \$1,516.00

T. 10 S., R. 17 E.,
Sec. 3, Lots 3, 4;
Sec. 4, Lots 2-4;
Sec. 9, N2NE, SWNE, E2NW;
Sec. 10, NWNW, NESE;
Sec. 15, W2SW;
Sec. 18, SWSE;
Sec. 19, N2NE;
Sec. 20, W2NW.

Jefferson County 757.78 acres
Subject to Stipulation 6

PARCEL 9-4-02-2
MINIMUM ACCEPTABLE BID \$1,589.00

T. 10 S., R. 17 E.,
Sec. 12, NE, NWSE.
T. 10 S., R. 18 E.,
Sec. 2, SENE, S2NW, SW, NESE;
Sec. 3, S2NE, N2SW, SESE;
Sec. 6, Lot 5;
Sec. 7, Lot 1.

Jefferson County 794.46 acres
Subject to Stipulation 6

PARCEL 9-4-02-3
MINIMUM ACCEPTABLE BID \$4,496.00

T. 19 S., R. 17 E.,
Sec. 1, Lots 1-4, S2N2, S2 (All);
Sec. 2, Lots 1-3, S2NE, SW;
Sec. 3, Lots 2-4, S2N2, S2;
Sec. 4, Lots 1-4, S2N2, S2 (All).

Crook County 2,247.49 acres
Subject to Stipulations 2 and 6

PARCEL 9-4-02-4
MINIMUM ACCEPTABLE BID \$3,944.00

T. 19 S., R. 17 E.,
Sec. 5, Lots 1-4, S2N2, S2 (All);
Sec. 6, Lots 1-7, S2NE, SENW, E2SW, SE (All);
Sec. 7, Lots 1-4, E2, E2W2 (All).

Crook County 1,971.29 acres
Subject to Stipulation 6

PARCEL 9-4-02-5
MINIMUM ACCEPTABLE BID \$4,932.00

T. 19 S., R. 17 E.,
Sec. 8, All;
Sec. 9, All;
Sec. 17, NENE, W2E2, W2;
Sec. 18, Lots 1-4, E2, E2W2 (All).

Crook County 2,465.76 acres
Subject to Stipulation 6

PARCEL 9-4-02-6
MINIMUM ACCEPTABLE BID \$4,640.00

T. 19 S., R. 17 E.,
Sec. 10, All;
Sec. 11, W2NE, NW, S2;
Sec. 12, N2, N2S2;
Sec. 13, All.

Crook County 2,320.00 acres
Subject to Stipulations 2 and 6

PUBLIC LANDS
WILLAMETTE MERIDIAN, OREGON

PARCEL 9-4-02-7

MINIMUM ACCEPTABLE BID \$4,480.00

T. 19 S., R. 17 E.,

Sec. 14, All;

Sec. 15, All;

Sec. 21, NE, SENW, NESW, N2SE;

Sec. 22, All.

Crook County

2,240.00 acres

Subject to Stipulation 6

PARCEL 9-4-02-10

MINIMUM ACCEPTABLE BID \$3,200.00

T. 19 S., R. 17 E.,

Sec. 26, All;

Sec. 27, E2;

Sec. 34, All.

Crook County

1,600.00 acres

Subject to Stipulation 6

PARCEL 9-4-02-8

MINIMUM ACCEPTABLE BID \$3,760.00

T. 19 S., R. 17 E.,

Sec. 20, W2NE, SENE, S2;

Sec. 28, NW, S2;

Sec. 29, E2;

Sec. 32, E2;

Sec. 33, N2.

Crook County

1,880.00 acres

Subject to Stipulations 2 and 6

PARCEL 9-4-02-11

MINIMUM ACCEPTABLE BID \$4,252.00

T. 20 S., R. 17 E.,

Sec. 1, Lots 1-4, S2N2, NESW, SE;

Sec. 2, Lots 1-4, S2N2, W2SW;

Sec. 3, Lots 1-4, S2N2, S2 (All);

Sec. 4, Lots 1, 2, S2NE, SE;

Sec. 9, E2NE, SE.

Deschutes County

2,125.47 acres

Subject to Stipulation 6

PARCEL 9-4-02-9

MINIMUM ACCEPTABLE BID \$3,840.00

T. 19 S., R. 17 E.,

Sec. 23, All;

Sec. 24, All;

Sec. 25, All.

Crook County

1,920.00 acres

Subject to Stipulation 6

PARCEL 9-4-02-12

MINIMUM ACCEPTABLE BID \$4,720.00

T. 20 S., R. 17 E.,

Sec. 10, All;

Sec. 14, S2;

Sec. 15, All;

Sec. 16, SWSE;

Sec. 21, E2;

Sec. 22, S2;

Sec. 23, E2NW.

Deschutes County

2,360.00 acres

Subject to Stipulation 6

PUBLIC LANDS
WILLAMETTE MERIDIAN, OREGON

PARCEL 9-4-02-13

MINIMUM ACCEPTABLE BID \$4,400.00

T. 20 S., R. 17 E.,

Sec. 11, NWNW, S2N2, S2;

Sec. 12, E2NE, SWNE, SWNW, S2;

Sec. 13, W2;

Sec. 24, N2, SW;

Sec. 25, N2, W2SW.

Deschutes County 2,200.00 acres

Subject to Stipulation 6

PARCEL 9-4-02-14

MINIMUM ACCEPTABLE BID \$3,440.00

T. 20 S., R. 17 E.,

Sec. 26, W2, W2SE;

Sec. 27, SE;

Sec. 33, S2SE;

Sec. 34, E2, S2NW, S2SW;

Sec. 35, W2NE, SENE, W2, SE.

Deschutes County 1,720.00 acres

Subject to Stipulation 6

PARCEL 9-4-02-15

MINIMUM ACCEPTABLE BID \$320.00

T. 9 S., R. 19 E.,

Sec. 26, NW.

Jefferson County 160.00 acres

Subject to Stipulation 6

PUBLIC LANDS
WILLAMETTE MERIDIAN, WASHINGTON

PARCEL 9-4-02-16

MINIMUM ACCEPTABLE BID \$2,880.00

T 13 N., R. 23 E.,

Sec. 12, S2S2;

Sec. 14, All;

Sec. 24, All;

Sec. 26, N2NE, S2NE, NW, S2.

Yakima County 1,440.00 acres
Subject to Stipulations 3, 5, 6, lease notice, and FERC
standard stipulation

PARCEL 9-4-02-18

MINIMUM ACCEPTABLE BID \$1,584.00

T. 9 N., R. 27 E.,

Sec. 8, N2NE;

Sec. 10, S2S2NE, N2SE;

Sec. 12, SESE;

Sec. 20, S2N2SWNENE, S2SWNENE, SENENE,
S2SESWNWNE, S2SEWNENE, S2NE,
S2NESW, SWNWSW, W2NESWSW,
SENESWSW, W2SWSW, SESWSW,
SESW, S2NWSE, S2SE;

Sec. 26, SWNE, NWNW, S2NW, SWSW, SESE.

Benton County 791.25 acres
Subject to Stipulations 1, 3, 4, 5, 6, lease notice, and
standard Bureau of Reclamation stipulation

PARCEL 9-4-02-17

MINIMUM ACCEPTABLE BID \$3,044.00

T. 13 N., R. 24 E.,

Sec. 18, Lots 1-4, E2, E2W2 (All);

Sec. 20, N2, E2SW, SE;

Sec. 22, W2SW, SESW;

Sec. 30, Lots 3, 4, SESW, S2SE.

Benton County 1,521.65 acres
Subject to Stipulations 3, 4, 5, 6, and lease notice

Total parcels:	18
Total acres:	30,515.15
Total number of parcels with presale offers:	0
Total acres with presale offers:	0.00

STIPULATION NO. 1

No surface use or occupancy is allowed until the BLM has consulted with interested Native American Tribes, the State Historic Preservation Office and, where applicable, the Advisory Council on Historic Preservation. Cultural resource inventory may be required for the area of potential effect prior to project implementation. Proposed operations may need to be redesigned or may not be authorized if activities would result in adverse impacts to cultural resources.

PARCEL	DESCRIPTION
9-4-02-18	Sec. 10, S2S2NE, N2SE; Sec. 26, SWNE, NWNW, S2NW, SWSW, SESE.

Waiver: This stipulation can be waived when the available data shows that an adequate inventory has been conducted and the data indicates that cultural resources would not be adversely affected by operations and there has been adequate consultation with interested Native American Tribes, the State Historic Preservation Office and, where applicable, the Advisory Council on Historic Preservation, for the land under the restriction.

Exception: The Authorized Officer can grant an exception to a specific activity if it is determined on a case-by-case basis that no cultural resources will be adversely affected within the project area and that there has been appropriate consultation for the proposed activities. An exception may also be granted for operations conducted on existing surfaced or bladed roads.

Modification: A portion or portions of the leased lands can be opened to activity if field inspection shows that this area does not contain cultural resources and that there has been adequate consultation with interested Native American Tribes, the State Historic Preservation Office and, where applicable, the Advisory Council on Historic Preservation, for the land under the restriction.

STIPULATION NO. 2

No surface use is allowed during the following time period(s)*. This stipulation does not apply to operation and maintenance of production facilities. On the lands described below:** For the purpose of:***. Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

PARCEL NO.	*TIME PERIOD	**DESCRIPTION	***PURPOSE
9-4-02-3	*Dec 15 to Mar 15	**Sec. 1, Lots 3, 4, S2NW, SW; Sec. 2, Lots 1-3, S2NE, SW; Sec. 3, Lot 2, S2NE.	***Deer winter range
9-4-02-6	*Dec 15 to Mar 15	**Sec. 11, W2NE, NW.	***Deer winter range
9-4-02-8	*Feb 15 to May 15	**Sec. 32, SE.	***Sagegrouse strutting or nesting area

STIPULATION NO. 3

Stipulation: Seasonal prohibition of oil and gas operations from March 1 through August 15 within ¼ mile of raptor nests.

Waiver: This stipulation can be waived when it can be shown that there are no active nests within the leasehold.

Exception: This stipulation can be excepted if it can be determined that the site-specific project will not affect occupation of the nest within the 1/4 mile buffer. A lesser distance can be authorized if it is determined by the Authorized Office that the species of concern would not be affected. An exception may be granted for operations conducted on existing roads that have a high volume of traffic.

Modification: A portion or portions of the leased lands can be opened to activity if circumstances change and the nest is not occupied, or the activity can be modified in a way that will be less disruptive to the species. This stipulation can be expanded to cover additional portions of the lease if additional nests are found.

APPLIES TO PARCELS 9-4-02-16 THROUGH AND INCLUDING 9-4-02-18

STIPULATION NO. 4

Stipulation: Seasonal prohibition of oil and gas operations within 400 meters of (wildlife) nesting areas from March 15 through July 15.

Waiver: This stipulation can be waived when the available data shows that the land under the restriction no longer provides suitable nesting habitat anywhere within the leasehold.

Exception: The Authorized Officer can grant an exception to a specific activity if it is determined on a case-by-case basis that (wildlife) are not using the area and that the proposed activities will not significantly degrade the habitat. An exception may be granted for operations conducted on existing roads that have a high volume of traffic.

Modification: A portion or portions of the leased lands can be opened to activity if field inspection shows that this area does not contain nesting and/or burrowing habitat, or that (wildlife) are not using the area and that the proposed activities would not significantly degrade the habitat. This stipulation can be expanded to cover additional portions of the lease if these areas are found to contain nesting habitat.

PARCEL	WILDLIFE
9-4-02-17	Ground squirrel, burrowing owl, and long-billed curlew
9-4-02-18	Burrowing owl and long-billed curlew

STIPULATION NO. 5

All surface disturbing activities are limited to existing roads, until a botanical field inventory of the proposed area of disturbance has been completed. This field survey must be completed during the appropriate season (April 15 through May 31) for the identification of special status plants. If special status species or plant community values are found, the Authorized Officer may determine not to allow activities if they adversely affect the botanical resources.

Waiver: This stipulation can be waived if the Authorized Officer determines that one or more of the following has been met:

1. The entire leasehold surface has been previously disturbed or substantially modified, e.g., cultivation.
2. There is an adequate inventory of the entire leasehold indicating that there are no special status plants, community values or suitable habitat on the entire leasehold.
3. There is an adequate inventory of the entire leasehold which indicates that impacts can be adequately mitigated by avoidance through standard stipulations (i.e., relocation of activities up to 200 meters).

Exception: An exception to this stipulation may be granted if the Authorized Officer determines that one or more of the following has been met at the project area:

1. Existing records indicate that the area involved does not have appropriate habitat.
2. There is an existing, adequate inventory which indicates that special status species or community values are not present, or that these botanical resources will not be affected, or that the adverse impacts will not jeopardize the species or community values.
3. The operator submits a plan which avoids or adequately mitigates the impacts.
4. Existing records indicate that an adequate field inventory can be conducted during a different season of the year.

Modification: A portion of the lease may be excluded from the requirement for a field inventory if the Authorized Officer determines that one or more of the following has been met:

1. There has been substantial previous disturbance of the habitat, such as agricultural field cultivation.
2. Existing records indicate that the area involved does not have appropriate habitat.
3. There is an existing, adequate inventory which indicates that special status species or community values are not present, or that these botanical resources will not be affected, or that the adverse impacts will not jeopardize the species or community values.

APPLIES TO PARCELS 9-4-02-16 THROUGH AND INCLUDING 9-4-02-18

SPECIAL NOTE FOR PARCEL 9-4-02-17

These lands involve the McCoy Canyon Area of Critical Environmental Concern established for management of known habitat for the following plant species:

Astragalus columbianus (state Threatened, Bureau Sensitive species) on secs. 18, 20, 22
Erigeron piperianus (state Sensitive, Bureau Assessment species) on sec. 18
Lomatium tuberosum (state Threatened, Bureau Sensitive species) on sec. 1

STIPULATION NO. 6

Endangered Species Act Section 7 Consultation Stipulation

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. § 1531 et seq., including completion of any required procedure for conference or consultation.

APPLIES TO ALL PARCELS

Lease Notice: Native American Grave Protection and Repatriation Act Notification.

Pursuant to 43 CFR 10.4(g) the holder of this authorization must notify the authorized officer, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.

APPLIES TO PARCELS 9-4-02-16 THROUGH AND INCLUDING 9-4-02-18

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

LEASE STIPULATIONS
BUREAU OF RECLAMATION
(Substitutes for Form 3109-1*)

All lands covered by this lease within the area of any Government Reclamation project, or in proximity thereto, the lessee shall take such precautions as required by the Secretary to prevent any injury to the lands susceptible to irrigation under such project or to the water supply thereof, PROVIDED, that drilling is prohibited on any constructed works or rights-of-way of the Bureau of Reclamation, and PROVIDED FURTHER, that there is reserved to the lessor, its successors and assigns, the superior and prior right at all times to construct, operate, and maintain dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, appurtenant irrigation structures, and Reclamation works, in which construction, operation, and maintenance, the lessor, its successors and assigns, shall have the right to use any and all of the lands herein described without making compensation therefor, and shall not be responsible for any damage from the presence of water thereon or on account of ordinary, extraordinary, unexpected, or unprecedented floods. That nothing shall be done under this lease to increase the cost of, or interfere in any manner with the construction, operation, and maintenance of such works. It is agreed by the lessee that, if the construction of any or all of said dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone or telegraph lines, electrical transmission lines, roadways, appurtenant irrigation structures or Reclamation works across, over, or upon said land should be made more expensive by reason of the existence of the improvements and workings of the lessee thereon, said additional expense is to be estimated by the Secretary of the Interior, whose estimate is to be final and binding upon the parties hereto, and that within thirty (30) days after demand is made upon the lessee for payment of any such sums, the lessee will make payment thereof to the United States, or its successors, constructing such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electrical transmission lines, roadways, appurtenant irrigation structures, or Reclamation works, across, over, or upon said lands; PROVIDED, HOWEVER, that subject to advance written approval by the United States, the location and course of any improvements or works and appurtenances may be changed by the lessee; PROVIDED, FURTHER, that the reservations, agreements, and conditions contained in the within lease shall be and remain applicable notwithstanding any change in the location or course of

said improvements or works of the lessee. The lessee further agrees that the United States, its officers, agents, and employees, and its successors and assigns shall not be held liable for any damage to the improvements or workings of the lessee resulting from the construction, operation, and maintenance of any of the works hereinafter enumerated. Nothing in this paragraph shall be construed as in any manner limiting other reservations in favor of the United States contained in this lease.

THE LESSEE FURTHER AGREES that there is reserved to the lessor, its successors and assigns, the prior right to use any of the lands herein leased, to construct, operate, and maintain dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures, and also the right to remove construction material therefrom, without any payment made by the lessor or its successors for such right, with the agreement on the part of the lessee that if the construction of any or all of such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures across, over, or upon said lands or the removal of construction materials therefrom, would be made more expensive by reason of the existence of improvements or workings of the lessee thereon, such additional expense is to be estimated by the Secretary of the Interior, whose estimate is to be final and binding upon the parties hereto, and that with thirty (30) days after demand is made upon the lessee for payment of any such sums, the lessee will make payment thereof to the United States or its successors constructing such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures across, over, or upon said lands or removing construction materials therefrom. The lessee further agrees that the lessor, its officers, agents, shall not be held liable for any damage to the improvements or workings of the lessee resulting from the construction, operation, and maintenance of any of the works herein above enumerated. Nothing contained in this paragraph shall be construed as in any manner limiting other reservations in favor of the lessor contained in this lease.

*Language substituted by the U.S. Bureau of Reclamation in lieu of BLM Form 3109-1 as stipulated in BLM's 1992 Resource Management Plan pages 119-121.

Parcel 9-4-02-18 Sec. 20, SWNWSW, S2SWSW, NWSWSW, S2NESWSW, NWNESWSW, S2SWSESW, NWSWSESW.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

POWERSITE STIPULATION

The lessee or permittee hereby agrees:

(a) If any of the land covered by this lease or permit was, on the date of the lease or permit application or offer was filed, within a powersite classification, powersite reserve, waterpower designation, or project on which an application for a license or preliminary permit is pending before the Federal Energy Regulatory Commission or on which an effective license or preliminary permit had been issued by the Federal Energy Regulatory Commission under the Federal Power Act, or on which an authorized power project (other than one owned or operated by the Federal Government) had been constructed, the United States, its permittees or licensees shall have the prior right to use such land for purposes of power development so applied for, licensed, permitted, or authorized and no compensation shall accrue to the mineral lessee or permittee for loss of prospective profits or for damages to improvements or workings, or for any additional expense caused the mineral lessee as a result of the taking of said land for power development purposes. It is agreed, however, that where the mineral lessee or permittee can make adjustments of his improvements to avoid undue interference with power development, he will be permitted to

do so at his own expense. Furthermore, occupancy and use of the land by the mineral lessee or permittee shall be subject to such reasonable conditions with respect to the use of the land as may be prescribed by the Federal Energy Regulatory Commission for the protection of any improvements and workings constructed thereon for power development.

(b) If any of the land covered by this lease or permit is on the date of the lease or permit within a powersite classification, powersite reserve, or waterpower designation which is not governed by the preceding paragraph, the lease or permit is subject to the express condition that operations under it shall be so conducted as not to interfere with the administration and use of the land for powersite purposes to a greater extent than may be determined by the Secretary of the Interior to be necessary for the most beneficial use of the land. In any case, it is agreed that where the mineral lessee or permittee can make adjustments to avoid undue interference with power development, he will be permitted to do so at his own expense.

APPLIES TO PARCEL 9-4-02-16, Sec. 12, S2S2.